

BEFORE THE
MEDICAL BOARD OF CALIFORNIA
DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA

In the Matter of the Accusation Against:

Michael Jerome Henry, M.D.

Case No. 800-2017-032144

Physician's and Surgeon's
Certificate No. A 40497

Respondent.

DECISION

The attached Stipulated Settlement and Disciplinary Order is hereby adopted as the Decision and Order of the Medical Board of California, Department of Consumer Affairs, State of California.

This Decision shall become effective at 5:00 p.m. on February 18, 2021.

IT IS SO ORDERED: January 19, 2021.

MEDICAL BOARD OF CALIFORNIA



Ronald H. Lewis, M.D., Chair
Panel A

1 XAVIER BECERRA
Attorney General of California
2 STEVEN D. MUNI
Supervising Deputy Attorney General
3 JOHN S. GATSCHET
Deputy Attorney General
4 State Bar No. 244388
California Department of Justice
5 1300 I Street, Suite 125
P.O. Box 944255
6 Sacramento, CA 94244-2550
Telephone: (916) 210-7546
7 Facsimile: (916) 327-2247

8 *Attorneys for Complainant*

9

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**BEFORE THE
MEDICAL BOARD OF CALIFORNIA
DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA**

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In the Matter of the Accusation Against:

Case No. 800-2017-032144

15

MICHAEL JEROME HENRY, M.D.
648 Northfield Dr.
16 Sacramento, CA 95833

OAH No. 2020060550

16

17

Physician's and Surgeon's Certificate No. A 40497

**STIPULATED SETTLEMENT AND
DISCIPLINARY ORDER**

18

Respondent.

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IT IS HEREBY STIPULATED AND AGREED by and between the parties to the above-
entitled proceedings that the following matters are true:

21

PARTIES

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1. William Prasifka ("Complainant") is the Executive Director of the Medical Board of
24 California ("Board"). He brought this action solely in his official capacity and is represented in
25 this matter by Xavier Becerra, Attorney General of the State of California, by John S. Gatschet,
26 Deputy Attorney General.

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2. Respondent Michael Jerome Henry, M.D. ("Respondent") is represented in this
proceeding by attorney David M. Balfour Esq., whose address is:

1 David M. Balfour, Esq.
2 Nossaman LLP
3 1925 Palomar Oaks Way, Suite 220
4 Carlsbad, CA 92008

5 3. On or about October 24, 1983, the Board issued Physician's and Surgeon's Certificate
6 No. A 40497 to Respondent. That Certificate was in full force and effect at all times relevant to
7 the charges brought in Accusation No. 800-2017-032144, and will expire on March 31, 2021,
8 unless renewed.

9 **JURISDICTION**

10 4. Accusation No. 800-2017-032144 was filed before the Board, and is currently
11 pending against Respondent. The Accusation and all other statutorily required documents were
12 properly served on Respondent on March 26, 2020. Respondent timely filed his Notice of
13 Defense contesting the Accusation.

14 5. A copy of Accusation No. 800-2017-032144 is attached as exhibit A and incorporated
15 herein by reference.

16 **ADVISEMENT AND WAIVERS**

17 6. Respondent has carefully read, fully discussed with counsel, and understands the
18 charges and allegations in Accusation No. 800-2017-032144. Respondent has also carefully read,
19 fully discussed with his counsel, and understands the effects of this Stipulated Settlement and
20 Disciplinary Order.

21 7. Respondent is fully aware of his legal rights in this matter, including the right to a
22 hearing on the charges and allegations in the Accusation; the right to confront and cross-examine
23 the witnesses against him; the right to present evidence and to testify on his own behalf; the right
24 to the issuance of subpoenas to compel the attendance of witnesses and the production of
25 documents; the right to reconsideration and court review of an adverse decision; and all other
26 rights accorded by the California Administrative Procedure Act and other applicable laws.

27 8. Respondent voluntarily, knowingly, and intelligently waives and gives up each and
28 every right set forth above.

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1 CULPABILITY

2 9. Respondent understands and agrees that the charges and allegations in Accusation
3 No. 800-2017-032144, if proven at a hearing, constitute cause for imposing discipline upon his
4 Physician' and Surgeon's Certificate.

5 10. Respondent agrees that, at an administrative hearing, Complainant could establish a
6 *prima facie* case with respect to the charges and allegations in Accusation No. 800-2017-032144,
7 and that Respondent hereby gives up his right to contest those charges.

8 11. Respondent agrees that his Physician's and Surgeon's Certificate is subject to
9 discipline and he agrees to be bound by the Board's probationary terms as set forth in the
10 Disciplinary Order below.

11 CONTINGENCY

12 12. This stipulation shall be subject to approval by the Medical Board of California.
13 Respondent understands and agrees that counsel for Complainant and the staff of the Medical
14 Board of California may communicate directly with the Board regarding this stipulation and
15 settlement, without notice to or participation by Respondent or his counsel. By signing the
16 stipulation, Respondent understands and agrees that he may not withdraw his agreement or seek
17 to rescind the stipulation prior to the time the Board considers and acts upon it. If the Board fails
18 to adopt this stipulation as its Decision and Order, the Stipulated Settlement and Disciplinary
19 Order shall be of no force or effect, except for this paragraph, it shall be inadmissible in any legal
20 action between the parties, and the Board shall not be disqualified from further action by having
21 considered this matter.

22 13. Respondent agrees that if he ever petitions for early termination or modification of
23 probation, or if an accusation and/or petition to revoke probation is filed against him before the
24 Board, all of the charges and allegations contained in Accusation No. 800-2017-032144 shall be
25 deemed true, correct and fully admitted by respondent for purposes of any such proceeding or any
26 other licensing proceeding involving Respondent in the State of California.

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1 14. The parties understand and agree that Portable Document Format (PDF) and facsimile
2 copies of this Stipulated Settlement and Disciplinary Order, including PDF and facsimile
3 signatures thereto, shall have the same force and effect as the originals.

4 15. In consideration of the foregoing admissions and stipulations, the parties agree that
5 the Board may, without further notice or opportunity to be heard by the Respondent, issue and
6 enter the following Disciplinary Order:

7 **DISCIPLINARY ORDER**

8 **IT IS HEREBY ORDERED** that Physician's and Surgeon's Certificate No. A 40497
9 issued to Respondent Michael Jerome Henry, M.D. is revoked. However, the revocation is stayed
10 and Respondent is placed on probation for five (5) years on the following terms and conditions:

11 1. **COMMUNITY SERVICE - FREE SERVICES.** Within 60 calendar days of the
12 effective date of this Decision, Respondent shall submit to the Board or its designee for prior
13 approval a community service plan in which Respondent shall, within the first 2 years of
14 probation, provide 80 hours of free services (e.g., medical or nonmedical) to a community or non-
15 profit organization. If the term of probation is designated for 2 years or less, the community
16 service hours must be completed not later than 6 months prior to the completion of probation.

17 Prior to engaging in any community service, Respondent shall provide a true copy of the
18 Decision(s) to the chief of staff, director, office manager, program manager, officer, or the chief
19 executive officer at every community or non-profit organization where Respondent provides
20 community service and shall submit proof of compliance to the Board or its designee within 15
21 calendar days. This condition shall also apply to any change(s) in community service.

22 Community service performed prior to the effective date of the Decision shall not be
23 accepted in fulfillment of this condition.

24 2. **PROFESSIONALISM PROGRAM (ETHICS COURSE).** Within 60 calendar days of
25 the effective date of this Decision, Respondent shall enroll in a professionalism program, that
26 meets the requirements of Title 16, California Code of Regulations (CCR) section 1358.1.
27 Respondent shall participate in and successfully complete that program. Respondent shall
28 provide any information and documents that the program may deem pertinent. Respondent shall

1 successfully complete the classroom component of the program not later than six (6) months after
2 Respondent's initial enrollment, and the longitudinal component of the program not later than the
3 time specified by the program, but no later than one (1) year after attending the classroom
4 component. The professionalism program shall be at Respondent's expense and shall be in
5 addition to the Continuing Medical Education (CME) requirements for renewal of licensure.

6 A professionalism program taken after the acts that gave rise to the charges in the
7 Accusation, but prior to the effective date of the Decision may, in the sole discretion of the Board
8 or its designee, be accepted towards the fulfillment of this condition if the program would have
9 been approved by the Board or its designee had the program been taken after the effective date of
10 this Decision.

11 Respondent shall submit a certification of successful completion to the Board or its
12 designee not later than 15 calendar days after successfully completing the program or not later
13 than 15 calendar days after the effective date of the Decision, whichever is later.

14 3. MONITORING - BILLING. Within 30 calendar days of the effective date of this
15 Decision, Respondent shall submit to the Board or its designee for prior approval as a billing
16 monitor, the name and qualifications of one or more licensed physicians and surgeons whose
17 licenses are valid and in good standing, and who are preferably American Board of Medical
18 Specialties (ABMS) certified. A monitor shall have no prior or current business or personal
19 relationship with Respondent, or other relationship that could reasonably be expected to
20 compromise the ability of the monitor to render fair and unbiased reports to the Board, including
21 but not limited to any form of bartering, shall be in Respondent's field of practice, and must agree
22 to serve as Respondent's monitor. Respondent shall pay all monitoring costs.

23 The Board or its designee shall provide the approved monitor with copies of the Decision(s)
24 and Accusation(s), and a proposed monitoring plan. Within 15 calendar days of receipt of the
25 Decision(s), Accusation(s), and proposed monitoring plan, the monitor shall submit a signed
26 statement that the monitor has read the Decision(s) and Accusation(s), fully understands the role
27 of a monitor, and agrees or disagrees with the proposed monitoring plan. If the monitor disagrees
28 with the proposed monitoring plan, the monitor shall submit a revised monitoring plan with the

1 signed statement for approval by the Board or its designee.

2 Within 60 calendar days of the effective date of this Decision, and continuing throughout
3 probation, Respondent's billing shall be monitored by the approved monitor. Respondent shall
4 make all records available for immediate inspection and copying on the premises by the monitor
5 at all times during business hours and shall retain the records for the entire term of probation.

6 If Respondent fails to obtain approval of a monitor within 60 calendar days of the effective
7 date of this Decision, Respondent shall receive a notification from the Board or its designee to
8 cease the practice of medicine within three (3) calendar days after being so notified. Respondent
9 shall cease the practice of medicine until a monitor is approved to provide monitoring
10 responsibility.

11 The monitor(s) shall submit a quarterly written report to the Board or its designee, which
12 includes an evaluation of Respondent's performance, indicating whether Respondent's practices
13 are within the standards of practice for billing and whether Respondent is billing appropriately. It
14 shall be the sole responsibility of Respondent to ensure that the monitor submits the quarterly
15 written reports to the Board or its designee within 10 calendar days after the end of the preceding
16 quarter.

17 If the monitor resigns or is no longer available, Respondent shall, within 5 calendar days of
18 such resignation or unavailability, submit to the Board or its designee, for prior approval, the
19 name and qualifications of a replacement monitor who will be assuming that responsibility within
20 15 calendar days. If Respondent fails to obtain approval of a replacement monitor within 60
21 calendar days of the resignation or unavailability of the monitor, Respondent shall receive a
22 notification from the Board or its designee to cease the practice of medicine within three (3)
23 calendar days after being so notified. Respondent shall cease the practice of medicine until a
24 replacement monitor is approved and assumes monitoring responsibility.

25 In lieu of a monitor, Respondent may participate in a professional enhancement program
26 approved in advance by the Board or its designee that includes, at minimum, quarterly chart
27 review, semi-annual practice assessment, and semi-annual review of professional growth and

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1 education. Respondent shall participate in the professional enhancement program at Respondent's
2 expense during the term of probation.

3 4. PROHIBITED PRACTICE-WORKERS COMPENSATION PATIENTS. During
4 probation, Respondent is prohibited from treating workers compensation patients. After the
5 effective date of this Decision, all workers compensation patients being treated by the Respondent
6 shall be notified that the Respondent is prohibited from treating workers compensation patients.
7 Any new workers compensation patients must be provided this notification at the time of their
8 initial appointment. Respondent shall refer workers compensation patients to another physician
9 for treatment.

10 Respondent shall maintain a log of all patients to whom the required oral notification was
11 made. The log shall contain the: 1) patient's name, address and phone number; 2) patient's
12 medical record number, if available; 3) the full name of the person making the notification; 4) the
13 date the notification was made; and 5) a description of the notification given. Respondent shall
14 keep this log in a separate file or ledger, in chronological order, shall make the log available for
15 immediate inspection and copying on the premises at all times during business hours by the Board
16 or its designee, and shall retain the log for the entire term of probation.

17 5. NOTIFICATION. Within seven (7) days of the effective date of this Decision, the
18 Respondent shall provide a true copy of this Decision and Accusation to the Chief of Staff or the
19 Chief Executive Officer at every hospital where privileges or membership are extended to
20 Respondent, at any other facility where Respondent engages in the practice of medicine,
21 including all physician and locum tenens registries or other similar agencies, and to the Chief
22 Executive Officer at every insurance carrier which extends malpractice insurance coverage to
23 Respondent. Respondent shall submit proof of compliance to the Board or its designee within 15
24 calendar days.

25 This condition shall apply to any change(s) in hospitals, other facilities or insurance carrier.

26 6. OBEY ALL LAWS. Respondent shall obey all federal, state and local laws, all rules
27 governing the practice of medicine in California and remain in full compliance with any court
28 ordered criminal probation, payments, and other orders.

1 7. QUARTERLY DECLARATIONS. Respondent shall submit quarterly declarations
2 under penalty of perjury on forms provided by the Board, stating whether there has been
3 compliance with all the conditions of probation.

4 Respondent shall submit quarterly declarations not later than 10 calendar days after the end
5 of the preceding quarter.

6 8. GENERAL PROBATION REQUIREMENTS.

7 Compliance with Probation Unit

8 Respondent shall comply with the Board's probation unit.

9 Address Changes

10 Respondent shall, at all times, keep the Board informed of Respondent's business and
11 residence addresses, email address (if available), and telephone number. Changes of such
12 addresses shall be immediately communicated in writing to the Board or its designee. Under no
13 circumstances shall a post office box serve as an address of record, except as allowed by Business
14 and Professions Code section 2021, subdivision (b).

15 Place of Practice

16 Respondent shall not engage in the practice of medicine in Respondent's or patient's place
17 of residence, unless the patient resides in a skilled nursing facility or other similar licensed
18 facility.

19 License Renewal

20 Respondent shall maintain a current and renewed California physician's and surgeon's
21 license.

22 Travel or Residence Outside California

23 Respondent shall immediately inform the Board or its designee, in writing, of travel to any
24 areas outside the jurisdiction of California which lasts, or is contemplated to last, more than thirty
25 (30) calendar days.

26 In the event Respondent should leave the State of California to reside or to practice,
27 Respondent shall notify the Board or its designee in writing 30 calendar days prior to the dates of
28 departure and return.

1 9. INTERVIEW WITH THE BOARD OR ITS DESIGNEE. Respondent shall be
2 available in person upon request for interviews either at Respondent's place of business or at the
3 probation unit office, with or without prior notice throughout the term of probation.

4 10. NON-PRACTICE WHILE ON PROBATION. Respondent shall notify the Board or
5 its designee in writing within 15 calendar days of any periods of non-practice lasting more than
6 30 calendar days and within 15 calendar days of Respondent's return to practice. Non-practice is
7 defined as any period of time Respondent is not practicing medicine as defined in Business and
8 Professions Code sections 2051 and 2052 for at least 40 hours in a calendar month in direct
9 patient care, clinical activity or teaching, or other activity as approved by the Board. If
10 Respondent resides in California and is considered to be in non-practice, Respondent shall
11 comply with all terms and conditions of probation. All time spent in an intensive training
12 program which has been approved by the Board or its designee shall not be considered non-
13 practice and does not relieve Respondent from complying with all the terms and conditions of
14 probation. Practicing medicine in another state of the United States or Federal jurisdiction while
15 on probation with the medical licensing authority of that state or jurisdiction shall not be
16 considered non-practice. A Board-ordered suspension of practice shall not be considered as a
17 period of non-practice.

18 In the event Respondent's period of non-practice while on probation exceeds 18 calendar
19 months, Respondent shall successfully complete the Federation of State Medical Boards's Special
20 Purpose Examination, or, at the Board's discretion, a clinical competence assessment program
21 that meets the criteria of Condition 18 of the current version of the Board's "Manual of Model
22 Disciplinary Orders and Disciplinary Guidelines" prior to resuming the practice of medicine.

23 Respondent's period of non-practice while on probation shall not exceed two (2) years.

24 Periods of non-practice will not apply to the reduction of the probationary term.

25 Periods of non-practice for a Respondent residing outside of California will relieve
26 Respondent of the responsibility to comply with the probationary terms and conditions with the
27 exception of this condition and the following terms and conditions of probation: Obey All Laws;
28 General Probation Requirements; and Quarterly Declarations.

1 11. COMPLETION OF PROBATION. Respondent shall comply with all financial
2 obligations (e.g., restitution, probation costs) not later than 120 calendar days prior to the
3 completion of probation. Upon successful completion of probation, Respondent's certificate shall
4 be fully restored.

5 12. VIOLATION OF PROBATION. Failure to fully comply with any term or condition
6 of probation is a violation of probation. If Respondent violates probation in any respect, the
7 Board, after giving Respondent notice and the opportunity to be heard, may revoke probation and
8 carry out the disciplinary order that was stayed. If an Accusation, or Petition to Revoke Probation,
9 or an Interim Suspension Order is filed against Respondent during probation, the Board shall have
10 continuing jurisdiction until the matter is final, and the period of probation shall be extended until
11 the matter is final.

12 13. LICENSE SURRENDER. Following the effective date of this Decision, if
13 Respondent ceases practicing due to retirement or health reasons or is otherwise unable to satisfy
14 the terms and conditions of probation, Respondent may request to surrender his or her license.
15 The Board reserves the right to evaluate Respondent's request and to exercise its discretion in
16 determining whether or not to grant the request, or to take any other action deemed appropriate
17 and reasonable under the circumstances. Upon formal acceptance of the surrender, Respondent
18 shall within 15 calendar days deliver Respondent's wallet and wall certificate to the Board or its
19 designee and Respondent shall no longer practice medicine. Respondent will no longer be subject
20 to the terms and conditions of probation. If Respondent re-applies for a medical license, the
21 application shall be treated as a petition for reinstatement of a revoked certificate.

22 14. PROBATION MONITORING COSTS. Respondent shall pay the costs associated
23 with probation monitoring each and every year of probation, as designated by the Board, which
24 may be adjusted on an annual basis. Such costs shall be payable to the Medical Board of
25 California and delivered to the Board or its designee no later than January 31 of each calendar
26 year.

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ACCEPTANCE

I have carefully read the above Stipulated Settlement and Disciplinary Order and have fully discussed it with my attorney, David M. Balfour Esq. I understand the stipulation and the effect it will have on my Physician's and Surgeon's Certificate. I enter into this Stipulated Settlement and Disciplinary Order voluntarily, knowingly, and intelligently, and agree to be bound by the Decision and Order of the Medical Board of California.

DATED: 11/4/2020 
MICHAEL JEROME HENRY, M.D.
Respondent

I have read and fully discussed with Respondent Michael Jerome Henry, M.D. the terms and conditions and other matters contained in the above Stipulated Settlement and Disciplinary Order. I approve its form and content.

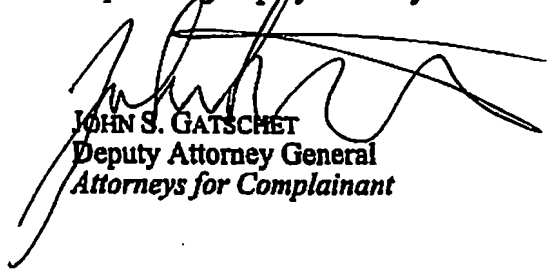
DATED: 11/4/2020 
DAVID M. BALFOUR ESQ.
Attorney for Respondent

ENDORSEMENT

The foregoing Stipulated Settlement and Disciplinary Order is hereby respectfully submitted for consideration by the Medical Board of California.

DATED: 11/4/2020

Respectfully submitted,
XAVIER BECERRA
Attorney General of California
STEVEN D. MUNI
Supervising Deputy Attorney General


JOHN S. GATSCHET
Deputy Attorney General
Attorneys for Complainant

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Exhibit A

Accusation No. 800-2017-032144

1 XAVIER BECERRA
Attorney General of California
2 STEVE DIEHL
Supervising Deputy Attorney General
3 JOHN S. GATSCHET
Deputy Attorney General
4 State Bar No. 244388
California Department of Justice
5 1300 I Street, Suite 125
P.O. Box 944255
6 Sacramento, CA 94244-2550
Telephone: (916) 210-7546
7 Facsimile: (916) 327-2247
8 *Attorneys for Complainant*

9
10 **BEFORE THE**
11 **MEDICAL BOARD OF CALIFORNIA**
12 **DEPARTMENT OF CONSUMER AFFAIRS**
13 **STATE OF CALIFORNIA**

14 In the Matter of the Accusation Against:	Case No. 800-2017-032144
15 Michael Jerome Henry, M.D.	ACCUSATION
16 648 Northfield Dr.	
17 Sacramento, CA 95833	
18 Physician's and Surgeon's Certificate No. A 40497,	
19 Respondent.	

20 **PARTIES**

- 21 1. Christine J. Lally (Complainant) brings this Accusation solely in her official capacity
22 as the Interim Executive Director of the Medical Board of California, Department of Consumer
23 Affairs (Board).
- 24 2. On or about October 24, 1983, the Medical Board issued Physician's and Surgeon's
25 Certificate Number A 40497 to Michael Jerome Henry, M.D. (Respondent). That Certificate was
26 in full force and effect at all times relevant to the charges brought herein and will expire on
27 March 31, 2021, unless renewed.
- 28 ///

JURISDICTION

1
2 3. This Accusation is brought before the Board, under the authority of the following
3 laws. All section references are to the Business and Professions Code (Code) unless otherwise
4 indicated.

5 4. Section 2234 of the Code. states:

6 The board shall take action against any licensee who is charged with
7 unprofessional conduct. In addition to other provisions of this article, unprofessional
8 conduct includes, but is not limited to, the following:

9 (a) Violating or attempting to violate, directly or indirectly, assisting in or
10 abetting the violation of, or conspiring to violate any provision of this chapter.

11 ...

12 (e) The commission of any act involving dishonesty or corruption that is
13 substantially related to the qualifications, functions, or duties of a physician and
14 surgeon.

15 ...

16 5. Section 2236 of the Code states:

17 (a) The conviction of any offense substantially related to the qualifications,
18 functions, or duties of a physician and surgeon constitutes unprofessional conduct
19 within the meaning of this chapter [Chapter 5, the Medical Practice Act]. The record
20 of conviction shall be conclusive evidence only of the fact that the conviction
21 occurred.

22 (b) The district attorney, city attorney, or other prosecuting agency shall notify
23 the Division of Medical Quality of the pendency of an action against a licensee
24 charging a felony or misdemeanor immediately upon obtaining information that the
25 defendant is a licensee. The notice shall identify the licensee and describe the crimes
26 charged and the facts alleged. The prosecuting agency shall also notify the clerk of
27 the court in which the action is pending that the defendant is a licensee, and the clerk
28 shall record prominently in the file that the defendant holds a license as a physician
and surgeon.

 (c) The clerk of the court in which a licensee is convicted of a crime shall,
within 48 hours after the conviction, transmit a certified copy of the record of
conviction to the board. The division may inquire into the circumstances surrounding
the commission of a crime in order to fix the degree of discipline or to determine if
the conviction is of an offense substantially related to the qualifications, functions, or
duties of a physician and surgeon.

 (d) A plea or verdict of guilty or a conviction after a plea of nolo contendere is
deemed to be a conviction within the meaning of this section and Section 2236.1.
The record of conviction shall be conclusive evidence of the fact that the conviction
occurred.

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6. California Code of Regulations, title 16, section 1360, states:

For the purposes of denial, suspension or revocation of a license, certificate or permit pursuant to Division 1.5 (commencing with Section 475) of the code, a crime or act shall be considered to be substantially related to the qualifications, functions or duties of a person holding a license, certificate or permit under the Medical Practice Act if to a substantial degree it evidences present or potential unfitness of a person holding a license, certificate or permit to perform the functions authorized by the license, certificate or permit in a manner consistent with the public health, safety or welfare. Such crimes or acts shall include but not be limited to the following: Violating or attempting to violate, directly or indirectly, or assisting in or abetting the violation of, or conspiring to violate any provision of the Medical Practice Act.

FIRST CAUSE FOR DISCIPLINE

(Conviction of a Crime)

7. Respondent's license is subject to disciplinary action under sections 2234, subdivision (a), and 2236 of the Code, and under Title 16 of the California Code of Regulations section 1360, in that he was convicted of a crime substantially related to qualifications, functions and duties of a person licensed to practice medicine. The circumstances are as follows:

8. On or between June 11, 2014, to June 11, 2015, King Medical Management made payments to Respondent¹ for him to refer patients for quantitative urine drug screening to One Source Laboratories. Respondent also received payments to prescribe compound creams to his patients that were filled by Steven's Pharmacy. Respondent did not incur any out of pocket expenses for any of the items that he prescribed or dispensed because Monarch Medical Group provided the products to him free of charge. The companies then fraudulently billed the California Workmen's Compensation Program and other insurance entities for the products that Respondent ordered, dispensed, and prescribed. On April 20, 2017, the Orange County District Attorney's Office announced felony criminal charges against Monarch Medical Group for insurance fraud, false and fraudulent claims, fee splitting, and improper patient referrals. As part of the charges, Steven's Pharmacy and One Source Laboratories, among other companies, were identified as improperly operating with Monarch Medical Group in an insurance fraud scheme.

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¹ Payments were made through a business entitled Rehabilitation Management Services.

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2 9. On or about April 3, 2017, the Orange County District Attorney's Office filed a 12-
3 count felony complaint in a case entitled *The People of the State of California vs. Michael Jerome*
4 *Henry*, in the Superior Court of California, County of Orange, alleging fraud, false claims, and
5 rebates for patient referrals, in case number 17CF0797. On or about April 27, 2018, Respondent
6 pled guilty to a misdemeanor violation of Business and Professions Code section 650, rebates for
7 patient referrals. The District Attorney's Office dismissed the remaining charges, counts, and
8 enhancements in exchange for his plea. The Respondent stipulated to the following factual basis
9 in support of his plea:

10 On and between May 20, 2015, and June 11, 2015, I unlawfully received
11 consideration as compensation and inducement for referring patients to Steven's Pharmacy,
12 Inc., One Source Labs, and Monarch Medical Group.

13 10. As a result of his change of plea, the Court sentenced Respondent to three years'
14 informal probation, ordered him to pay fines and fees, and make restitution. In particular, the
15 Court ordered Respondent to pay \$37,000.00 in restitution to the Orange County District
16 Attorney's Office's Monarch Restitution Fund and make a payment of \$3,700.00 to the victim
17 witness emergency fund. The Court also ordered that the Respondent could not treat California
18 Workers' Compensation patients for three years starting on April 27, 2018.

19 11. As set forth above, Respondent's license is subject to disciplinary action in that he
20 was convicted of a crime substantially related to the practice of medicine.

21 **SECOND CAUSE FOR DISCIPLINE**

22 **(Dishonest and Corrupt Act)**

23 12. Respondent's license is subject to disciplinary action under section 2234, subdivision
24 (c) in that Respondent committed a dishonest and corrupt act. The circumstances are set forth in
25 paragraphs 7 through 11, and those paragraphs are incorporated by reference as if fully set forth
26 herein.

27 13. As noted above, Respondent's license is subject to disciplinary action in that he
28 committed a dishonest and corrupt act by receiving compensation for patient referrals.

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PRAYER

WHEREFORE, Complainant requests that a hearing be held on the matters herein alleged, and that following the hearing, the Medical Board of California issue a decision:

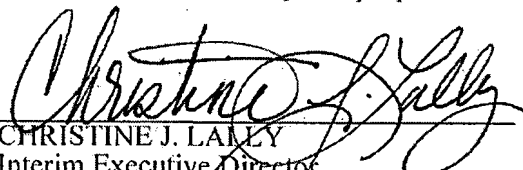
1. Revoking or suspending Physician's and Surgeon's Certificate Number A 40497, issued to Michael Jerome Henry, M.D.;

2. Revoking, suspending or denying approval of Michael Jerome Henry, M.D.'s authority to supervise physician assistants and advanced practice nurses;

3. Ordering Michael Jerome Henry, M.D., if placed on probation, to pay the Board the costs of probation monitoring; and

4. Taking such other and further action as deemed necessary and proper.

DATED: MAR 26 2020


CHRISTINE J. LALLY
Interim Executive Director
Medical Board of California
Department of Consumer Affairs
State of California
Complainant

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